

STATE OF HAWAII
STATE PROCUREMENT OFFICE
INFORMATION AND INSTRUCTIONS
ON HAWAII PRODUCTS PREFERENCE

Attached for your information and use are:

1. The **Hawaii Administrative Rules** governing Hawaii Products which are based on §103D-1002, Hawaii Revised Statutes.
2. The **APPLICATION FOR HAWAII PRODUCTS PREFERENCE** (SPO Form 6A):
 - a. Each product must be clearly and precisely named in the space provided for in item 2 of the application and shall not be referred to by a general category of goods.
 - b. A single application may be submitted for more than one product, however a separate DATA SHEET must be completed for each product with the product name and description identified at the top of each sheet.
3. Completing the **DATA SHEET** (SPO Form 6B):
 - a. Cost data provided on the DATA SHEET must relate to the production or manufacture of the product.
 - b. This information must be the actual total production cost of the product during the most recent accounting period. If the production records available are for less than a full year, that fact must be stated.
 - c. Hawaii input shall be allowed for cost that originate within the State of Hawaii. The cost of out-of-state raw material or goods purchased from a local supplier would not be considered Hawaii input except for the supplier's profit and costs incurred after arrival of the raw material or goods in Hawaii.
 - (i) **Direct materials** shall include the items of raw material or goods that are incorporated into the finished product.
 - (ii) **Direct labor** shall be the direct costs of labor solely related to the product's manufacture, i.e. payroll, employer taxes, fringe benefits, and shall include the costs for personnel directly engaged in the production and production supervision only.
 - (iii) **Indirect manufacturing expenses** shall include the overhead costs related solely to the product's manufacture and other supply costs related to the cost of the finished product, and also the pro rata costs of all other overhead.
3. The **HAWAII PRODUCT PREFERENCE APPLICANT'S CERTIFICATION** (SPO Form 6C) shall be completed, signed and notarized.
4. The **AFFIDAVIT FOR RENEWAL OF HAWAII PRODUCTS LIST STATUS** (SPO Form 6D):
 - a. This affidavit is to be used for your biennial renewal if there is no significant change in either the method of production or the relative values of the Hawaii and non-Hawaii inputs to the production cost of the product that would affect the classification of the registered Hawaii product.
 - b. If there is a significant change, a new application must be submitted for the product(s). If more than one product was listed in the original application, a new application should be submitted for only the product(s) for which there was a change (SPO Forms 6A, 6B, and 6C).

Questions or concerns regarding the application of the Hawaii Products Preference may be directed to

the State Procurement Office at telephone (808) 586-0577 or facsimile no. (808) 586-0570.